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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 004572

SIPDIS

DEPT FOR EAP/TC DEPT PASS AIT/W

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TAGS: ECON CH TW SUBJECT: TAIWAN PRAISES PRC TOURISM VISIT

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Classified By: AIT Director Douglas H. Paal, Reason 1.4 d

11. (SBU) Shao Qi-wei, Director of the PRC's China National Tourism Administration (CNTA) wrapped up a tenday trip to Taiwan on November 6. The Taiwan government took every effort to make Shao's visit a success, including removing items labeled "Republic of China" from sites visited and expressing regret for protests against the visit. At the end of the visit, Shao identified the Cross-Strait Tourism Exchange Association as the PRC organization that would coordinate consultations with Taiwan on tourism. Taiwan officials hailed the visit as a success, but political obstacles remain. Further progress on the tourism initiative is unlikely before Taiwan's December 3 elections. End summary.

Shao Sees Whole Island but Few Officials

- 12. (U) Shao Qi-wei, Director of the PRC's China National Tourism Administration (CNTA) wrapped up a ten-day trip to Taiwan on November 6. Shao led a delegation of 65 national and local tourism officials and travel agency representatives on a comprehensive familiarization tour of all of Taiwan's major tourist destinations. Stops included Taipei, Taoyuan, Ali Shan, Kaohsiung, Tainan, Kenting, Taitung, Taroko Gorge, and Hualien.
- 13. (C) Shao was invited by the Taiwan Visitors Association (TVA), an association made up of industry associations and companies but controlled by the Ministry of Transportation and Communications (MOTC). According to Taiwan officials, one of the PRC conditions for the visit was that Shao would not have any formal meetings with Taiwan government officials. Taiwan observed this condition. However, Taiwan officials were guests at some events that Shao attended. Notably, Legislative Yuan Chairman Wang Jin-pyng, Taiwan Tourism Bureau Deputy Director General Lai She-jen, and Mainland Affairs Council (MAC) Economics Department Director Fu Don-cheng attended the welcome dinner for Shao on his first night in Taiwan. Former KMT chairman Lien Chan also attended. Lai's boss, Taiwan Tourism Bureau Director General Hsu Wen-sheng, told AIT/T that Taiwan's Legislative Yuan had threatened to cut his budget if he met with Shao. Shao met privately with People's First Party (PFP) Chairman James Soong on the ninth day of the visit. When Shao visited Taipei's Sun Yat-sen Memorial Hall on the second day of his visit, MOTC Minister Lin Ling-san was giving a speech in a different part of the building. Lin invited Shao to attend the speech, but Shao declined.
- $\P4$ . (U) The Taiwan government took every effort to make Shao's visit a success. TVA asked hotels and other locations on Shao's itinerary not to display items with Taiwan's official name "Republic of China." After Taiwan groups protested the delegation's visit in Taichung and Kaohsiung, MAC issued a press release expressing regret and calling on the people of Taiwan to treat the visitors

PRC Identifies Window for Consultations

 $\P5$ . (U) On the final evening of the visit at a dinner in Taipei, Shao made a statement confirming the PRC's commitment to move forward on the tourism initiative The most important sign of concrete progress as a result of the visit was his formal announcement that the Cross-Strait Tourism Exchange Association (CSTEA) would be the PRC coordinator for consultations with Taiwan on the tourism initiative. Taiwan identified the Travel Agency Association of the Republic of China (TAAROC) as its (Note: AIT/T has coordinating organization in August. previously identified this organization as the Travel Agents Association of Taiwan. Its Chinese name in pinyin is Zhonghua Minguo Luxing Gonghui Quanlianhui. It is a relatively new organization formed by combining the

travel agent associations from Taipei and Kaohsiung with an association that covers the rest of the island. End note.)

Taiwan Hails Results

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- 16. (C) MAC issued a press release praising the visit and calling for further progress. TAAROC Assistant Chairman Yao Ta-kuang told AIT/T that the visit was very successful. He said that the two sides had agreed to arrange consultations based on mutual convenience, noting that there was no timetable set for discussions.
- 17. (C) Tourism Bureau's Hsu told AIT/T that Shao's trip was very useful and highlighted the PRC decision to identify the CSTEA as its window for consultations. Previously, he explained, the PRC had only used agencies that were strictly government entities for such negotiations. MAC officials also emphasized the importance of the PRC's decision to identify CSTEA as its window for consultations, though MAC Chairman Joseph Wu privately noted to the Deputy Director that this was one more effort by Beijing to avoid using the word "China," as in China National Tourism Administration, to describe cross-Strait negotiations.
- 18. (C) Hsu explained that now CSTEA and TAAROC would proceed through informal communication to resolve the outstanding issues. Despite lingering security and immigration concerns at some Taiwan government agencies, Hsu believes there are no outstanding issues that will be difficult to resolve. He commented that the only remaining obstacles were political ones, noting that TAAROC may have to change the name it uses in these consultations to remove the ROC label. (Note: Much of TAAROC's leadership is the same as that of the Taipei Association of Travel Agents, which would be a more acceptable nomenclature for the PRC. End note.) Hsu said that there would be no significant progress on the tourism initiative before Taiwan's December 3 elections.

## Chinese New Year Charter Flights

- 19. (C) Pending progress on both Chinese tourists to Taiwan and regular cross-Strait passenger and cargo charter flights, MAC's Wu told the Deputy Director, Taipei is prepared to move ahead quickly on an interim Chinese New Year charter flight agreement for flights starting two to three weeks before the Lunar New Year on January 29 and extending for two to three weeks after the holiday. Taipei, he told the Deputy Director, expects to begin negotiating with PRC representatives sometime this week (November 13-19) using the January 2005 "Macao Model." Taipei hopes to expand the New Year charter flights, Wu continued, to include all Taiwan passport holders and perhaps even foreigners working for Taiwan businesses in Mainland China.
- 110. (C) Wu told the Deputy Director that Taipei is also hoping to expand the number of cities in Mainland China covered by the New Year charters, but will not accede to Beijing's request to include Taipei's Sungshan Airport. Wu explained that Sungshan exclusively served the Taiwan domestic travel market and no longer had immigration and customs services. Wu noted that Taiwan had proposed adding Okinawa as a transit Flight Information Region (FIR) in addition to the Hong Kong FIR. Flying via Okinawa's airspace instead of Hong Kong's would shorten the routes from Taipei to Shanghai and Beijing by 350 miles and 180 miles respectively. (Comment: Taipei also prefers Okinawa as a transit FIR because it would strengthen the argument that cross-Strait flights are international. End Comment.)